

Additional incentive:

If a property is located in an Enterprise Zone and if eligible rehabilitation costs are at least \$100,000, you should apply for a Real Property Investment Enterprise Zone Grant by April 1st following the completion of the rehabilitation.

Application forms are available from the Department of Development and the Department of Codes Compliance and should be submitted to:

FLORENCE G. KINGSTON
DIRECTOR OF DEVELOPMENT
2400 Washington Avenue, 3rd Floor
Newport News, VA 23607

For more information about this and other programs that benefit Newport News businesses, contact:

City of Newport News
Department of Development
(757) 926-8428



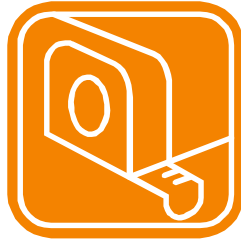
REAL ESTATE TAX EXEMPTION FOR REHABILITATED COMMERCIAL STRUCTURES



City of Newport News
Department of Development
2400 Washington Avenue, 3rd Floor
Newport News, VA 23607
(757) 926-8428

Building new commercial buildings has become increasingly expensive in recent years. Modernizing an older building may provide a lower cost alternative to new construction.

Many older buildings are in areas of the city that are well served by public infrastructure and public transportation. Many of these buildings are also located in state-designated Enterprise Zones.



The Newport News City Council has enacted an ordinance to encourage commercial rehabilitation in the city by providing a five-year partial exemption of real estate taxes. This ordinance provides for a reduction of the post-rehabilitation assessment of a qualifying property by fifty percent (50%) of the eligible rehabilitation costs.

This reduction assessment, which results in the exemption of real estate property taxes, continues for five years after the rehabilitation is completed. Or, if it is more beneficial to the property owner, for five years after the January 1st following the completion of the rehabilitation.



City of Newport News—Names to Know:
James M. Bourey, City Manager
Charles Vester, City Assessor
Harold L. Roach, Director of Codes Compliance
Florence G. Kingston, Director of Development



To qualify for the Commercial Rehabilitation Real Estate Property Tax Exemption, you must meet every condition below:

1. The building must be 20 years old (15 if within an Enterprise Zone) or older and used for non-residential purposes.
2. The eligible rehabilitation costs incurred by the applicant must be equal to at least twenty percent (20%) of the assessed value of the building immediately prior to beginning the rehabilitation.



3. The rehabilitation may expand the building square footage by no more than fifty percent (50%).
4. All required building and other permits must be acquired.

5. The rehabilitation may not be a rebuilding after a fire, natural disaster or other act of God.
6. An application must be submitted to and approved by the Director of Development.

What are eligible rehabilitation costs?

Eligible rehabilitation costs are the same as qualified zone improvements for the State Enterprise Zone Real Property Investment Grant. Eligible rehabilitation



costs include: exterior and interior construction, interior demolition, sitework and paving, landscaping, cleaning and clean up, and exterior repair.